

Wednesday 1 November 2023

OIA IRO-501

Name: [REDACTED]

Email: [REDACTED]@otago.ac.nz

Kia ora [REDACTED]

Official information request regarding water leakages & cost.

Thank you for your official information request dated Wednesday 4 October 2023.

The Local Government Official Information and Meetings Act 1987 (the Act) requires that we advise you of our decision on your request no later than 20 working days after the day we received it. Unfortunately, we cannot meet the timeframe and must therefore extend the time to make our decision to Wednesday 15 November 2023.

Consultations required to make a decision on your request are such that a proper response cannot be made within the original timeframe. We are therefore extending your request in accordance with [Section 14\(1\)\(b\)](#) of the Act.

The reason for this is that our officers working on this response need to clarify costing information with subject experts.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Ngā mihi,

[REDACTED]

[REDACTED]

Governance Coordinator

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Thursday 23 November 2023

OIA IRO-501

Name: [REDACTED]
Email: [REDACTED]@otago.ac.nz

Kia ora [REDACTED]

Official information request regarding water leakages and cost.

Thank you for your official information request dated Wednesday 4 October 2023. On Wednesday 18 October 2023 you clarified what you meant by overall operations costs to produce drinking water, and the region you wanted this data from.

We have considered your request in accordance with the Local Government Official Information and Meetings Act 1987 (the Act) and determined that we are able to grant your request in full.

Please see our response in Appendix 1 to this letter. These figures are from 2021/22 Financial year which you refer to in Question One. We have provided a breakdown of the calculations in Appendix 2.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Ngā mihi,

[REDACTED]
Group Manager, Network Development and Delivery

[REDACTED]
Group Manager, Business Services

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Appendix 1

Question One: Regarding the 62.3 billion litres of safe drinking water that Wellington Water delivered annually (as per in the Annual Report published in 2022) – does this include or exclude the estimated 40% that is lost through leakages in Council owned pipes and pipes on private owners properties?

Answer...

This includes water loss.

Question Two: What is Wellington Water’s overall operating cost of producing this 62.3 billion litres of safe (chlorinated and fluoridated) water to Wellington households?

Answer...

\$5,428,574.31 (2021/22 Financial Year)

**Please note all Pump station costs are either salaries ('WWL direct cost allocated'), or maintenance (planned and unplanned)*

Question Three: What is Wellington Water’s estimate of the *marginal* operating cost of producing this safe (chlorinated and fluoridated) water eg, per 1000 extra litres. (This *marginal* cost would reflect not the worker salary costs and maintenance costs as part of the overall operating costs – but rather just the extra costs of pumping the extra water, chlorinating it and fluoridating it.

Answer...

\$0.04 (2021/22 Financial Year)

Question Four: If the marginal cost described above is not available – we might use in our calculations the price that Watercare in Auckland will soon charge per 1000 litres of water supplied (ie, \$1.998 per 1000 litres [<https://www.watercare.co.nz/About-us/News-media/Auckland-water-and-wastewater-prices-to-increase-b>]). Do you think this might be roughly similar to the cost of supplying this amount of water in the Wellington situation?

Answer...

See answer to Question Three. It is not possible to comment on whether costs are similar without more information on Water Cares’ figures.

Appendix 2

Reporting for OIA IRO-501		Chemicals include the following chemicals and their delivery costs:
FY 2021-22 Cost treated as variable and included		
Bin Hire	\$193,973.92	Carbon
Chemicals	\$2,036,491.99	Chlorine
Hazardous waste	\$122,829.98	CO2
Sludge	\$185,486.16	Diesel
Trade waste	\$10,296.63	Fluoride
Total variable cost of producing water	\$2,549,078.68	Lime
Total water produced FY2021-22	\$62,300,000,000	PACL coagulant
Variable cost per litre	\$4.09161907E-05	Polyacrylamide
Variable cost per 1000 litres	\$0.040916191	Salt
		Sodium Hypochlorite
FY 2021-22 Cost treated as fixed and included		
Consent and Monitoring	\$3,369.78	Because the chemicals are hazardous, I have included, and separately itemised the hazardous waste costs
General refuse	\$180.00	Bin hire costs are associated with the disposal of sludge produced in the treatment process, and have been included
Maintenance	\$801,267.79	Electricity is a variable cost and is paid by GWRC, so not included in these figures as part of the cost of producing safe DW
Materials	\$13,610.02	All Pump station costs are either salaries, or maintenance (planned and unplanned)
Operations	\$58,593.27	
Safety equipment	\$42.72	
WWL direct cost allocated	\$2,002,432.05	
	\$2,879,495.63	
Total cost, variable and fixed	\$5,428,574.31	
check	\$0.00	
Variable cost/ 1000 litres	\$0.041	
Fixed cost/ 1000 litres	\$0.046	
Total cost/1000 litres	\$0.087	